



FEDERAL ELECTION COMMISSION RQ-3
WASHINGTON, D.C. 20463

January 9, 1997

Jim Pledger, Treasurer
The Democratic Party of Arkansas
Federal Account
1300 West Capitol
Little Rock, AR 72201

Identification Number: C00024372

Reference: Amended Year End (7/1/95-12/31/95) dated 8/22/96, Amended April Quarterly (1/1/96-3/31/96) dated 8/9/96, July Quarterly (4/1/96-6/30/96, October Quarterly (7/1/96-9/30/96) and 12 Day Pre-General (10/1/96-10/16/96) Reports

Dear Mr. Pledger:

This letter is to inform you that as of January 8, 1997, the Commission has not received your response to our requests for additional information dated December 18, 1996. These notices request information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to these requests (copies enclosed).

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Edward D. Ryan on our toll-free number (800) 424-9530 or our local number (202) 219-3580.

Sincerely,

A handwritten signature in dark ink, appearing to read "John D. Gibson", is written over the typed name.

John D. Gibson
Assistant Staff Director
Reports Analysis Division



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Jim Pledger, Treasurer
The Democratic Party of Arkansas
Federal Account
1300 West Capitol
Little Rock, AR 72201

DEC 18 1996

Identification Number: C000024372

Reference: October Quarterly Report (7/1/96-9/30/96)

Dear Mr. Pledger:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses a loan received in the amount of \$76,000; however, Schedule C-1 has not been provided. Any political committee that receives a loan or line of credit from a lending institution must file Schedule C-1 with the first report in which the obligation is incurred and each time a loan or line of credit is restructured to change the terms of repayment or each time a draw is made on a line of credit. Please provide the omitted schedule. 11 CFR §104.3(d)(1)

-Your report discloses a loan on Schedule A from Boatman's Bank, which has not been recorded on Schedule C. Loans and loan repayments received must be reflected on Schedule C as well as on Schedule A. Please amend your report to clarify this discrepancy. 2 U.S.C. §§434(b)(3)(E) and (5)(D)

-Schedule H3 of your report (pertinent portions attached) discloses transfers-in from DNC 96' to pay for Administrative/Voter Drive expenses of your committee. Please note that 11 CFR §106.5(g)(1)(i) permits a committee to "pay the entire amount of an allocable expense from its federal account and shall transfer from its non-federal account to its federal account solely to cover the non-federal share of that allocable expense" (emphasis added). As DNC 96' is not a non-federal account of your committee, such transfers are prohibited.

THE DEMOCRATIC PARTY OF ARKANSAS
FEDERAL ACCOUNT
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If the transfers in question were incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If you have received prohibited transfers, you must transfer-out the impermissible funds to an account not used to influence federal elections or refund the full amount to DNC 96'.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of prohibited transfers, prompt action by your committee to transfer-out or refund the amount will be taken into consideration.

-Schedule H4 of your report discloses a disbursement(s) to federal and non-federal candidates/committees and other organizations (donations and contributions). Please be advised that contributions to federal and non-federal committees do not qualify as shared expenses to be allocated between your federal and non-federal accounts. Contributions to federal committees should be disclosed on a Schedule B supporting Line 23 of the Detailed Summary Page and contributions to non-federal committees on a separate Schedule B supporting Line 29. Any reimbursement from your committee's non-federal account for any portion of this contribution(s) is not permissible. 11 CFR §102.5(a)(1)(i)

The Commission recommends that you immediately transfer the funds received by your federal account, as reimbursement for the non-federal portion, back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Please provide the total for Line 10 of the Summary Page. Loans and debts must be continuously reported until they are either repaid or settled. (11 CFR §104.3(d)) The total outstanding balance of a debt at the close of a report (Itemized all on Schedule C and/or Schedule D) must be provided on the Summary Page.

-The totals listed on Lines 21(a)(i) and 21(a)(ii), Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the

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current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your EVENT YEAR-TO-DATE calculations for Administrative/Voter Drive are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category, not by individual purpose such as "Utilities" or "Rent". Please amend your report by providing the correct Administrative/Voter Drive EVENT YEAR-TO-DATE totals.

-You must make an attempt to obtain the full name, mailing address, occupation and name of employer for all individuals who contribute more than \$200 in a calendar year. Please amend your report to include the omitted information.

A committee may demonstrate "best efforts" to obtain the required information by providing the Commission with a description of its procedures for requesting the information and may also supply a copy of a solicitation: the committee must request the contributor information in initial solicitations; make follow-up requests (if necessary); report the information; and file amendments to disclose previously unreported information. Each solicitation must include a clear and conspicuous request for the information. If a committee receives a contribution that exceeds the \$200 threshold but lacks contributor information, the committee must, within 30 days, make an additional written or oral request for the information. Please note that a written request may not include an additional solicitation or material on any other subject, other than thanking the contributor for the donation and must include a pre-addressed return post card or envelope for the contributor's response. An oral request must be documented in writing. Committees must also disclose information that was not provided by the contributor, but is available in any of the committee's records for that current election cycle. Furthermore, if a committee receives contributor information after the contributions have been reported, it must submit, with its next report, an amended memo Schedule A listing all the contributions for which additional information was received or file, on or before the next reporting date, amendments to the previous reports on which the contributions were originally disclosed. See 11 CFR §104.3(a)(4)(i) and 11 CFR §104.7.

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FEDERAL ACCOUNT
PAGE 4

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 of your report to clarify the following description(s): convention, contract labor, Futa, p/r, w/r, conv. exp, misc., stage, services, opinions, chk#5546, chk#5560, prof fees, inv.#1293 and merchandise. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please clarify all expenditures made for advertising, communication, newspaper, commercial spots, newsletter, clippings and video communication on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedule B or F supporting Line 23 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §104.3(b)

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Donation(s), contribution(s), return deposit in wrong acct., refund, and filing fee refund should be properly disclosed on a separate Schedule B, supporting Line(s) 22, 23, 28 and 29, as appropriate, of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

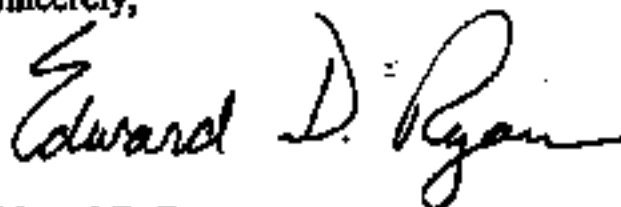
-Schedule A supporting Line 12 discloses a transfer-in from ASDC Dollars for Democrats, Dem. Senatorial Camp. Comm., Demo Victory Fund, Democratic National Committee, and DNC Services Corp. Schedule H4 supporting Line 21(a) reflects payments for conv-signs and bumper stickers. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used including distribution by direct mail; all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.7(b)(15) and (17) and Pages 14 and 15 of the Campaign Guide for Party Committees.

Please clarify the nature of the transfers-in and subsequent payments for conv signs and bumper stickers. If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate.

THE DEMOCRATIC PARTY OF ARKANSAS
FEDERAL ACCOUNT
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A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

A handwritten signature in cursive script that reads "Edward D. Ryan". The signature is written in dark ink and is positioned above the printed name and title.

Edward D. Ryan
Reports Analyst
Reports Analysis Division

RECEIPT SCHEDULE H2

TRANSFERS FROM
NON-FEDERAL ACCOUNTSPAGE 4 OF 9
FOR LINE 19

NAME OF COMMITTEE Democratic Party of Arkansas Federal Account	DATE OF RECEIPT 08/15/94	TOTAL AMOUNT TRANSFERRED 1803.00
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	BREAKDOWN OF TRANSFER RECEIVED		
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
i) Total Administrative/Voter Drive.....	\$ 1803.00		
ii) Total Administrative/Voter Drive.....	\$ 1803.00		
iii) Direct Fundraising (List Events-Amounts)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred For Direct ...			
iiii) Exempt Activity/Direct Candidate Support (List Events-Amount for each)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred For Exempt Activity/Direct Candidate Support.....			

NAME OF ACCOUNT Democratic Party AR	DATE OF RECEIPT 08/15/94	1803.00
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	BREAKDOWN OF TRANSFER RECEIVED		
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
i) Total Administrative/Voter Drive.....	\$ 2308.00		
ii) Total Administrative/Voter Drive.....	\$ 2308.00		
iii) Direct Fundraising (List Events-Amounts)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred For Direct ...			
iiii) Exempt Activity/Direct Candidate Support (List Events-Amount for each)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred For Exempt Activity/Direct Candidate Support.....			

	TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED		
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CAND. SUPPORT
SUBTOTAL THIS PAGE.....	\$ 4190.00		4190.00

RECEIPT SCHEDULE HS

TRANSFERS FROM
NON-FEDERAL ACCOUNTSPAGE 71 OF 91
FOR LINE 18

NAME OF COMMITTEE		TOTAL AMOUNT	
Democratic Party of Arizona Federal Account		TRANSFERRED	
NAME OF ACCOUNT		DATE OF RECEIPT	BY
Democratic Party AR		08/18/86	ETC. 00
		BREAKDOWN OF TRANSFER RECEIVED	
		ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT
		EXEMPT ACTIVITY/DIRECT	CANDIDATE SUPPORT
1) Total Administrative/Voter Drive.....	\$ 270.00		
1) Total Administrative/Voter Drive.....	\$ 270.00		
11) Direct Fundraising (List Events-Amounts)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred For Direct ...			
11) Exempt Activity/Direct Candidate Support (List Events-Amount for each)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred For Exempt Activity/Direct Candidate Support.....			
NAME OF ACCOUNT		DATE OF RECEIPT	BY
DVC 24		08/23/86	16128.24
		BREAKDOWN OF TRANSFER RECEIVED	
		ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT
		EXEMPT ACTIVITY/DIRECT	CANDIDATE SUPPORT
1) Total Administrative/Voter Drive.....	\$ 16128.24		
1) Total Administrative/Voter Drive.....	\$ 16128.24		
11) Direct Fundraising (List Events-Amounts)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred For Direct ...			
11) Exempt Activity/Direct Candidate Support (List Events-Amount for each)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred For Exempt Activity/Direct Candidate Support.....			
		TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED	
		ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT
		EXEMPT ACTIVITY/DIRECT	CANDIDATE SUPPORT
SUBTOTAL THIS PAGE.....	\$ 16768.24		16768.24

RECEIPT SCHEDULE H3

TRANSFERS FROM
NON-FEDERAL ACCOUNTSPAGE 81 OF 91
FOR LINE 18

NAME OF COMMITTEE	TOTAL AMOUNT
Democratic Party of Arkansas Federal Account	TRANSFERRED
NAME OF ACCOUNT	DATE OF RECEIPT
Democratic Party AR	09/23/96
	24977.77

	BREAKDOWN OF TRANSFER RECEIVED		
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND-RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
i) Total Administrative/Voter Drive.....	\$ 24977.77		
ii) Total Administrative/Voter Drive.....	\$ 24977.77		
iii) Direct Fundraising (List Events-Amounts)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred for Direct ...			
iiii) Exempt Activity/Direct Candidate Support (List Events-Amount for each)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred for Exempt Activity/Direct Candidate Support.....			

NAME OF ACCOUNT	DATE OF RECEIPT	TOTAL AMOUNT	
INC 96	09/24/96	3105.93	
BREAKDOWN OF TRANSFER RECEIVED			
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND-RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
i) Total Administrative/Voter Drive.....	\$ 3105.93		
ii) Total Administrative/Voter Drive.....	\$ 3105.93		
iii) Direct Fundraising (List Events-Amounts)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred for Direct ...			
iiii) Exempt Activity/Direct Candidate Support (List Events-Amount for each)			
a)			
b)			
c)			
d)			
e) Total Amount Transferred for Exempt Activity/Direct Candidate Support.....			

TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED	
ADMIN/VOTER DRIVE AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
3105.93	
SUBTOTAL THIS PAGE	3105.93

RECEIPT SCHEDULE H3

TRANSFERS FROM
NON-FEDERAL ACCOUNTSPAGE 01 OF 01
FOR LINE 18

NAME OF CONTRIBUTOR		(TOTAL AMOUNT TRANSFERRED)		
NAME OF ACCOUNT		DATE OF RECEIPT		
Democratic Party of Arkansas Federal Account		09/30/94		
DCU 94		11391.00		
BREAKDOWN OF TRANSFER RECEIVED				
ADMIN/VOTER DRIVE AMOUNT		DIRECT FUND-RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT	
1) Total Administrative/Voter Drive.....		\$ 11391.00		
1) Total Administrative/Voter Drive.....		\$ 11391.00		
11) Direct Fundraising (List Events-Amounts)				
a)				
b)				
c)				
d)				
e) Total Amount Transferred for Direct ...				
111) Exempt Activity/Direct Candidate Support (List Events-Amount for each)				
a)				
b)				
c)				
d)				
e) Total Amount Transferred for Exempt Activity/Direct Candidate Support.....				
TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED				
ADMIN/VOTER DRIVE AMOUNT		DIRECT FUND-RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT	
SUBTOTAL THIS PAGE.....		\$ 11391.00		11391.00
TOTAL THIS PERIOD.....		\$ 60535.10		60535.10